2. It has been found that small furnaces of 5 tonnes capacity are not suitable for adoption or modern energy saving facilities and hence a provision has been kept in new guidelines for replacement of smaller furnaces by bigger ones. A unit having installed one or more electric arc furnace(s) of capacity less than 15 tonnes each will be permitted to replace this/these furnace(s) by a singe modern 15 to 25 tonnes capacity electric arc furnace subject to the following conditions:—

(a) The size of the new replacement furnace to be installed should be such that its capacity does not increase the existing licensed capacity by more than 150 per cent.

(b) The units submit a detailed feasibility report which should include details of the existing and proposed facilities.

(c) The unit instals such modern features as may be specified by the Department of Steel.

(d) Submission of categorical power assurance from the State Government.

3. The present policy of permitting flexibility to the mini-steel plants to diversify into production of all grades of carbon and alloy steels, including stainless steel/heat resisting steel within their licensed capacity will continue. Similarly, additions of balancing facilities like continuous casting machines, conditioning facilities etc, for improving productivity and quality will be freely allowed.

4. Where an existing mini-steel plant undertakes modernisation of its electric arc furnace(s) and as a result, its liquid metal availability is sufficient for producing a minimum quantity of 1 lakh tonnes per annum of hot rolled strips/coils, it will be permitted to set up facilities for manufacture of H.R. Steel Strips/Coils of wider width (600 mm and above) subject to the conditions that the interested parties submit a detailed feasibility report, produce a categorical power assurance from the competent authority, electric arc furnace will be capable of using a minimum 30 per cent of its feed in the form of sponge iron and the products conform to specified quality specifications.

5. It has been assessed that there would be a surplus of long products upto 1994-95 and as such, it is not proposed to allow setting up of any new Electric Arc Furnace steel making units during the Seventh Plan period. However, keeping in view the special problems of transporting steel to remote areas, this provision will not be applicable to the areas located in Jammu and Kashmir, the hilly districts of U.P., North Eastern States, Sikkim and Himachal Pradesh where mini-steel plants with a capacity of 50 000 tonnes per annum will be permitted subject to categorical power assurance given by the State Governments concerned and also subject to the condition that the capacity is achieved through the Electric Arc Furnace route.

6. Existing licensed mini-steel plants will be allowed to attain a minimum economic capacity of 50,000 tonnes per annum through Electric Arc Furnace route on production of categorical assurance regarding power availability from the respective State Governments.

Permission for modernisation of Mini Steel Plants

1815. KUMARI SUSHILA TIRIA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether there is any proposal under Government's consideration to allow all the mini-steel plants in the country to modernise their plants with the latest available Western technology; and

(b) if so, what are the details of such mini-plants, State-wise alongwith their capacity?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL IN THE MINISTRY OF STEEL AND MINES (SHRI YOGENDRA MAKWANA): (a) Under the new guidelines for Licensing for Steel Industry existing licensed mini-steel plants would be permitted to undertake modernisation and expansion through the adoption of modern technology and energy-saving equipments.

(b) A statement indicating the number and capacity of licensed mini steel plants, state-wise, is annexed. (*See* below). Permission for modernisation and expansion will be given to the plants which submit proposals in accordance with the guidelines.

Statement

Number of licensed mini steel plants in various States and Union Territories

Sl. No.	Name of the State/Union Territory	No. of units	Licensed Capacity (tonnes)
1	Andhra Pradesh	8	2,02,800
2	Assam	2	27,000
3	Bihar	7	2,36,000
4	Chandigarh	1	40,000
5	Delhi	2	23,000
6	Gujarat	5	1,56,000
7	Haryana	13	3,58 500
8	Himachal Pradesh	3	82,000
9	Karnataka	11	3,41,000
10	Kerala	1	50,000
11	Jammu & Kashmir	1	18,000
12	Madhya Pradesh	11	3,75,500
13	Maharashtra	29	10,88,440
14	Orissa	1	18,000
15	Pondicherry	2	68,000
16	Punjab	8	2,49,000
17	Rajasthan	7	1,85,200
18	Tamil Nadu	5	1,78,800
19	Uttar Pradesh	26	5,43,800
20	West Bengal	21	4,75,960
	TOTAL	164	47,16,960